

## **CSR Practices among Public and Private Sector Companies: A Community Development Approach in Indian context**

**Manosmita Mahapatra\***

### **ABSTRACT**

Business environment today and the higher expectation of the stakeholders demand for good CSR programmes bringing in greater benefits. Besides the key stakeholders such as the Government, investors and customers, community come out as important stakeholders who actually provide the license to the corporate to operate. The companies have already realized that it is the communities surrounding their vicinity that they have to satisfy to maintain their operations. Through good CSR interventions the companies can attract, retain and motivate their employees. CSR practices benefit the community by enhancing their livelihood and increasing their income levels and become corporate citizens. Corporate social responsibility becomes a way of promoting good company practices wherein the private sector is encouraged to be more engaged in social mission. The paper attempts to show the CSR practices across public and private sectors in an Indian context by taking few companies as sample study. The research is carried on by secondary sources of information through the reported information of the company's annual sustainability reports. The results show that the Private sector companies are spending more on CSR and community and in a better strategic manner compared to the Public sectors that basically focus on issue based requirement of the community.

**Keywords:** Corporate Social Responsibility, Women Empowerment, Community Development.

### **INTRODUCTION**

CSR in India has traditionally been seen as a philanthropic activity and keeping with the Indian tradition, it was an activity that was performed but not deliberated. Hence documentation on specific activities related to CSR is quite less. Although philanthropic, much of their activities had a natural character encapsulated within them. Due to global influence and with communities becoming more active and demanding, there is a discernible trend found in corporate CSR activities that they have gone beyond the community development to more strategic in nature. Hence a large number of companies are now reporting the activities undertaken towards CSR in their official website as annual report, sustainability reports and attempt publishing CSR reports. A single universally accepted definition of CSR, although, does not exist, and vary from author to author, each definition emphasizes the impact that businesses have on society at large and the societal expectation on them. CSR is generally understood as being the way through which a company

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\* Guest Faculty, Department of Sociology, Ravenshaw University, Cuttack, India  
E-mail: [manosmita7@gmail.com](mailto:manosmita7@gmail.com)

achieves a balance of economic, environment and social imperatives (Triple Bottom Line Approach), while simultaneously addressing the expectations of shareholders and stakeholders. CSR needs to address the wellbeing at all stakeholders and not just the company shareholders.

#### **CSR AT PUBLIC AND PRIVATE SECTOR**

Public sector has unique competencies to bring maximum contribution to sustainable development through policy and regulatory framework within which business operates (Fox, Ward and Howard, 2002), though many of them are explicitly described as CSR or considered to be CSR enabling. Role of public sector in CSR agenda shows that in different CSR related contexts the role taken by public sector is different. Role of government in promoting corporate sustainability shows setting of vision and goals for the role of business in society, creating framework conditions for the market, fiscal policy especially taxation and promoting innovation (Bell, 2005). In a study conducted by Zadek (2007), a new third generation CSR framework depicting the public sector roles in promoting concept of corporate citizenship, developing market that encourage corporate citizenship, negotiate enforce global principle and goods for business are accountable to civil society.

Role of public sector in CSR agenda in countries other than India shows that public policies to reinforce best business CSR practices where the public sector role is to promote good produce, education advocacy, encourage partnership in supply chains and between stakeholders, provides economic instruments and incentive. Public influence of CSR shows the role of public sector as developing markets that encourage corporate citizenship; CSR receives a higher profile and coordinates across department, promoting partnership and international standards as the basis for business reporting (Aaronson and Reeves, 2002). World Bank in its report (2002) brings out the range of roles that the government can play in providing an enabling environment of CSR covering a wide range of issues related to business conduct, human rights and national economic development. Partnership can also be made as single sector such as strategies alliances between companies and cross sectoral involving government agencies, civil society organizations and private sector business. The later are sometimes referred to as public-private Partnership (PPP). NGOs and UN agencies are concerned that partnerships could threaten their integrity and independence (Visser et al, 2007).

In private companies the innovative, proactive CEO who is convinced of the intrinsic value of CSR treats it as an opportunity to maximize company capabilities and identify new competitive advantage. The CSR strategies in different industries reveal that the CSR threshold varies among the firms depending upon the actions of competitors, cultural environment in which it is operating. Although the value of an effective CSR policy within specific industries and firms is becoming increasingly accepted, the point at which such a policy becomes ripe for implementation varies.

#### **CSR Guidelines and Laws**

A comprehensive guidance for companies pertaining to CSR is available in the form of several globally recognized guidelines, frameworks, principles and tools. Most of these guidelines relate to the large concept of sustainability or business responsibility keeping the notion of CSR as the central concern. The guidelines relate to the UN Global compact (UNGC) with an objective to mainstream the adoption of sustainable and socially responsible policies by businesses around the world. The corporate are judged for ethical practices on the basis of The United Nation Guiding Principles on Business and Human Rights, International Labour Organization Tripartite declaration of principles on multinational enterprises and social policy for organizations. The UN Global Impact Self-Assessment Tools is a guide designed to be used by companies of all sizes and across sectors committed to uphold the social and environmental standards within their respective operations.

National Voluntary guidelines on social, environmental and economic responsibilities of business are the guidelines formulated by the Ministry of Corporate Affairs, Govt. of India in 2011, with the objective of providing a distinctive India-centric approach for Indian Businesses, applicable to large and small companies alike. In India, the concept of CSR is governed by clause 135 of the companies Act, 2013 which was enacted by the Govt. on 29<sup>th</sup> Aug, 2013 and subsequently brought an amendment to Schedule VII of the said Act. Corporate Social Responsibility Rules, 2014 was notified by the Govt. on 27<sup>th</sup> Feb, 2014. Both the Act and its Rules were to be implemented with effect from 1<sup>st</sup> April, 2014. As per the act, every company shall have to spend in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years on CSR activities. The CSR committee will be responsible for preparing a detailed plan of CSR activities, for each financial year including the expenditure, the type of activities, role and responsibility of various stakeholders of a monitoring mechanism for each activity. The recommendations of CSR committee are to be approved by the board of the company. After that, it is mandatory for the board to publish its CSR contents, activities or programmes along with expenditure incurred towards each activity during the financial year in its web site or in annual report or even by publishing a special CSR report.

### **OBJECTIVES AND METHODOLOGY**

The business in community concept as given by Albareda (2006) highlights how company interpret the role of business in society and its role in the community development. Pinney (2001) says CSR promotes corporate citizenship which improves the quality of life of local community and enhances stakeholder participation relying on Business-Community Partnership (Lee, 2011). In order to access how the public sector and private sector companies in India undertake their CSR activities and programmes, an attempt has been made to analyze the CSR activities of few companies. The paper has two objectives i.e first, to understand the practices of corporate social responsibility of Private and Public sector companies in an Indian context and second, to study the impact of CSR bringing a significant impact on the community development with special focus on health care, education and women empowerment.

Since CSR initiatives of a company depend largely on its size, location, annual expenditure, CSR policy and activity to be undertaken, stakeholder, the community to be served and it becomes difficult to compare against common indicators. Therefore, keeping in view, the specific CSR activities as recommended in Schedule VII of the Companies Act, 2013, an analysis of 21 companies, 10 from public sector undertakings and 11 from private sector is presented in this paper. The study is carried out by reported information of the company through the analysis of annual sustainable reports. Based on the ranking available in the business journal regarding the quantum of CSR activities the companies were selected to understand the corporate social performance. Table 1 provides the names of the PSUs along with their year of incorporation and field of operation. A state owned enterprise in India is called a public sector undertaking (PSU) or Public sector enterprise (PSE). These companies are owned by the union government or one of the many states or territorial government or both. The companies both public and private are sampled from the published list of top companies practicing CSR in India as found in the Business World Magazine special issue on November 2014 issue. PSUs are categorized into three categories based on their average annual net profit or average annual net worth or average annual turnover such as (i) Maharatna, (ii) Navaratna, and (iii) Miniratna. It can be noted that financial service companies such as nationalized banks are not included in the list. Only those companies which have earned the status of only one of the category out of the three i.e. Maharatna, Navaratna and Miniratna are considered .

**Table 1: The Public sector companies and their field of activities**

Sl. No	Name of the company	Head Quarter	Year of Incorporation	Field of operation	Status
1	Bharat Heavy Electricals Limited (BHEL)	New Delhi	1964	Heavy Engineering	Maharatna
2	Gas Authority of India Ltd (GAIL)	New Delhi	1984	Petroleum, Refining and Marketing	Maharatna
3	Indian Oil Corporation (IOC)	New Delhi	1964	Petroleum, Refining and Marketing	Maharatna
4	National Hydro-electric power corporation (NHPC)	Faridabad	1975	Electricities power generation	Miniratna
5	National Aluminium Company Limited (NALCO)	Bhubaneswar	1981	Mining, mineral and metal	Navaratna
6	National Mineral Development Corporation (NMDC)	Hyderabad	1958	Minerals and metals	Navaratna
7	National Thermal Power Corporation Limited (NTPC)	New Delhi	1975	Electricity generation	Maharatna
8	Power Grid Corporation of India (POWER GRID)	Gurgaon	1989	Electricity transmission	Navaratna
9	Steel Authority of India Limited (SAIL)	New Delhi	1973	Steel	Maharatna
10	Western Coalfields Limited (Coal India Ltd)	Nagpur	1975	Mining, coals and lignite	Miniratna

Names of 11 companies from the private sector are listed in Table 2 along with their year of incorporation and field of operation. Data related to companies' CSR activities and initiatives were collected from the secondary sources such as companies' own websites, annual reports, sustainability reports and specially published CSR reports. Data related to Long term initiatives/projects were emphasized while few piecemeal CSR activities of different companies were only recorded. It was not possible to include each and every CSR activity of a company. CSR initiatives/projects of the companies were grouped according to the recommendation of the Schedule VII of the Companies Act, 2013 for analysis.

**Table 2: The Private sector companies and their field of activities**

Sl. No.	Name of the Company	Headquarter	Year of incorporation	Field of operation
1	Aditya Birla Nuva Ltd (ABNL)	Mumbai	1956	Various fields manufacturing

2	Bharati Airtel Limited	New Delhi	1995	Telecommunication service
3	Cairn India Limited	Gurgaon	2007	Oil and Gas Exploration
4	Hindustan Unilever Limited	Mumbai	1933	Consumer goods
5	ITC Limited (ITC)	Kolkata	1910	Various fields manufacturing service
6	Jindal Steel and Power Limited	New Delhi	1952	Steel and Energy
7	Larsen and Tourbro Limited	Mumbai	1938	Various fields manufacturing service
8	Maruti Suzuki India Limited	Gurgaon	1982	Motor car
9	Reliance Industries Limited	Mumbai	1966	Various fields manufacturing and service
10	Tata Steel Limited	Jamshedpur	1907	Steel
11	Tata Consultancy Services	Mumbai	1968	Information Technology

## **FINDINGS**

### **CSR Initiatives and Projects**

As per the requirements of the Company Act, 2013, every company coming under this Act constitutes a CSR committee which is responsible for formulating its CSR policy for particular fiscal year. The committee also identifies the thrust areas to be undertaken and the expenditure to be incurred for each area. The following are important thrust areas that the companies have adopted during the year 2016-17: Healthcare, maternity health care and child, sanitation and safe drinking water; skill building, employment and vocational training; income enhancement and livelihood opportunities; education; infrastructure development; renewable energy; ecology and environment; ethnicity and heritage conservation and Prime Minister National Relief Fund. Out of these, this paper focuses on only three aspects namely health care services, educational initiatives and livelihood generation programmes towards women empowerment. The CSR initiatives and projects are implemented by the companies mostly in collaboration with the government. Other collaborators are the district authorities, the village panchayats, registered NGOs and other likeminded stakeholders and service providers, from whom the companies take help for implementation of their CSR programmes.

### **Health Initiatives**

Health initiatives feature in the top priority list in the CSR activities of all the companies whether public or private. These initiatives include long-term projects as well as piecemeal health supports. It is seen that Project Arogya by GAIL Operates mobile medical units in various villages benefitting 6 lakh villagers. Project Sarjivari by HIJL provides a free mobile medical service camp, near the company's Doom Dooma factory in Assam, provided medical assistance to nearly 2.5 lakh patients covering more than 4000 camps. Indian Oil Sachal SwasthiyaSeva of IOL which is IOL's largest CSR programmes on healthcare to the door step of rural villages through mobile medical units (MMUs)with Kisan Seva Kendras (a network of 6002 Kendras) on a base. Each MMU has a

registered qualified doctor, a pharmacist, a driver and a community mobilizer benefiting 1.5 million patients in 681 villages in 13 districts of the 3 states. Project Sarve Santu Niramaya of (IOL) has a unique project launched in 8 villages in Assam to provide free health consultation and medicines for both human beings and livestock population. During 2015-16, 2035 patients and 25,274 cattle/poultry (including 500 free vaccinations) have been treated. Project MANASI of Tata Steel's maternal and New born survival Initiative project aims at saving lives and treating illness in new born through Home based New born care (HBNC) by the Sahiyaa (ASHA) under the National Rural Health mission. In 2016-17, antenatal care was provided to 14000 women while 15000 infants were immunized. Project Hamrahi and Project Khushi of RIL has clinic of HIV/AIDS for truckers and near by residents of Allahabad for HIV prevention, treatment, care and counseling support started in 2013 at Jamnagar. Whereas, project Dristi has the largest cornea transplant drive for visually impaired in India.

Almost all companies organize their health care services by three methods such as health camps, mobile medical units, health centre and hospitals for the benefit of mother & child, women & rural communities and disabled persons as part of their health initiatives. During the FY 2015-16, L&T organized family planning camps in Mumbai, Pune and villages around Surat benefiting 50,000 women. Over 4300 camps have been organized by SAIL benefiting more than 2 lakh people by providing health check-ups. POWERGRID organized special health clinics for providing maternal and child health care services in 15 villages in backward areas of Haryana benefitting 45,000 villages. Reliance Industries has counseling, antenatal care, child delivery, supply of sterilised and disposable delivery kits. Mobile health van services are provided by CIL to over 250,000 people every year. In association with Ambuja Cement Foundation, POWERGRID is operating one mobile medical unit services covering denizens of 23 villages in remote areas of Nalgarh; 6099 patients were diagnosed and treated during 2015-16. BHEL has provided 4 mobile medical units to Help Age India to operate in the vicinity of remote project sites of its power sector region. NTPC provided mobile medical services benefitting around 60,000 people of 80 villages in 7 locations. 4 Mobile Health units are being operated by the NALIO during 2015-16, in collaboration with Wockhardt Foundation. SAIL has established 7 health centres (Kalyan Chikitsahaya) to provide free medical care including medicines to poor and nearby families. So far, SAIL has established 53 primary health centres, 7 RCH centres, 23 hospitals, 7 specialty hospitals. Tata Steel has hospitals and clinics at Jamshedpur as well as at all its outstations. In 2013-14, the company set in motion the process of establishing two large hospitals - a 500 - bedded hospital at Gopalpur, Ganjam, Odisha near its rehabilitation colony and 200 – bedded at Kalinganagar, Odisha. The Reliance HIV & TB contact centre has catered to more than 78,000 patients, PHCs at Dahej catered to community needs covering 23 nearby villages under the National Rural Health Mission programmes.

### **Education Initiatives**

Education initiatives also feature in the top priority list of CSR initiatives of the companies. Most of these initiatives are in the form of financial assistance to educational institutions and scholarships and awards to students. In comparison to health initiatives, the long-term projects on Education are less. Project Utkarsh of GAIL aims to provide financial help to brilliant students for educational expenses, residential coaching/intensive mentoring for professional studies. 300 beneficiaries so far are benefitted in this project, where 250 non-formal education centres have been functioning in slums of Delhi covering over 26,000 out of school slum children. Project Science on Wheels of L&T brings hands-on science education to the rural masses. In the year 2012, the laboratory traversed the state of Gujarat visiting 41 schools and enriching over 13,500 students. Project Shikshak Datkshyata Vikas Abhiyan of IOC aims to improve soft skills of government school teachers, in collaboration with the district education department of Govt. of Assam. The Airtel's the Satya Bharti

School programme was launched in 2006. Under this programmes (2014-15), 254 Satya Bharti Schools in India were set up, 39534 students were enrolled in schools of which 49% are girl students. An amount of Rs 1,442.94 million was invested in schools and young people were engaged as teachers. The Reliance Dhirubai Ambani Protsahan Scheme (RIL) provides learning opportunities to meritorious students who performed well in SSC (State level) examination, arranges admission to intermediate courses in leading residential colleges, and provides them free education. So far, 1134 students are benefitted. Project Lifting every voice of Children of BHEL provides quality education to children belonging to under privileged/weaker economic sections of the society. 300 children living in settlement colonies of Delhi are taken in the project through 10 integrated learning centres. The children are provided with mid-day meals.

The companies help the needy students with scholarships and awards. Some of the important one's are mentioned below. GAIL Charitable and Education Trust, set up in 2009, awards scholarships to meritorious poor students. Indian Oil Education Scholarship scheme awards each year 50 scholarships on merit – cum – mean basis to SC/ST students. Maruti has instituted Academic Excellence Award for students securing top three positions in 10<sup>th</sup> and 12<sup>th</sup> standard examinations. Jyoti Fellowships of Tata Steel are given to nearly 3000 meritorious students from the SC/ST communities across Jharkhand, Chhattisgarh and Odisha. Tata Steel has established 9 pre-primary centres for 487 children in its R&R colonies during 2014-15. Dhirubai Ambani Foundation (RIL) has two scholarship schools i.e.; i) Dhirubai Ambani Undergraduate Scholarship Scheme and ii) Dhirubai Ambani SSC Matric Award Scheme which are in implementation in Maharashtra, Goa, Gujarat, Daman Diu and Dadra Nagar Haveli. The Foundation has also a special scheme that provides assistance to the physically challenged students to pursue graduate courses. The scheme has benefitted about 10,000 students of whom about 2,000 students are physically challenged. Almost all companies provide financial support to educational institutions for infrastructure development, setting up of libraries and laboratories, etc. as part of their educational initiatives. 7 special schools (KalyanVidyalaya) were established by SAIL in 5 Steel plants for under privileged students. In these schools free education, mid-day meals, uniforms including shoes, text books, stationary items, school bags etc. are provided to more than 1500 students. SAIL is providing mid-day meals to more than 22,000 students. ABNL directs its educational initiatives towards creation and support of Balwadin, Aditya Bal Vidya Mandir, Girl child education and non-formal education.

### **Skill Development and Women Empowerment Initiatives**

Skill development and Women empowerment initiatives feature in the top priority list of CSR programmes of the companies. Since both the categories are interdependent, they are considered together in this sub section. Project Swavalanubh of GAIL has multi skill schools in Madhya Pradesh, Andhra Pradesh and Gujarat implanting skill based training in retail, hospitality and facility management in rural youth along with placement support. In the year 2015-16, nearly 2700 youth have been provided training in various fields. In addition, self-employment opportunities have been made available to open 5000 women beneficiaries in trades like embroidery, stitching and tailoring at various locations spread across Uttar Pradesh, Madhya Pradesh, Tamil Nadu and Delhi. Project Shakti of HUL has an objective of financially empowering rural women and creating livelihood opportunities for them. Shakti Entrepreneurs commonly referred to as Shakti Ammas are rural women appointed by the company, educated and trained by the rural promoter about the company products and their utility in day to day life in maintaining health and hygiene. After the training the Shakti Ammas receive the stock of the products at a much reduced price and sell them to a consumer (through home to home selling) which provide their earning and makes them financially independent. A typical Shakti Amma earns around Rs. 1,000/- per month through selling the products. The company tried to increase the number of Shakti Ammas from 45,000 in 2010 to 75,000 in 2015.

Project Kishori of SAIL has a unique project ongoing in the peripheral villages of Rourkela (Odisha), which empowers adolescent girls and women, enhancing their sense of self-worth, making them aware of their rights to various opportunities and resources, right to control their own lives and their ability to bring about the social change at the local as well as regional, national and international levels. Project Udaan of TCS has a joint initiative by the National Skill Development Corporation (NSDC), Govt. of India and Special Industry Initiative to help Kashmiri youth join the mainstream of corporate India. Through this project, TCS endeavors to catalyze the Kashmiri youth connect with Indian Industry, coupled with polishing their skill, making them more employable. L&T has established 8 Skill Training Institutes since its inception in 1995 in Ahmedabad, Bangalore, Chennai, Cuttack, Delhi, Hyderabad, Kolkata and Mumbai which provide skill training as well as employment to the trainees at its project sites. In collaboration with NGOs, L&T provides vocational training to women (so far 4,470 women) across different trades. Through Project Uddyam, 150 underprivileged women were trained, 50% of them have been employed. Through Project Aadhaar, tailoring training was given to 70 women of Damka village, Gujarat (2012-13).

SAIL's vocational training and income generation trades include agriculture, mushroom cultivation, goatery, poultry, fishery, piggery, achar/papad/agarbatti making, welder, fitter and electrician training, sewing and embroidery, smokeless chullah making etc. SAIL instituted training centres for rural unemployed youth, Bhilai Ispat Kaushal Kutir & Swayam Sidhha Project in Bhilai, Skill Development and Self Employment Training Institute in Durgapur, Garment Technical Training in Salem, JHARCRAFT centre in Bokaro and self-employment centre, KIRAN in Kiribunu one mines, Jharkhand. IOC has established Assam Oil School of Nursing in Digboi in 1986, which provides professional nursing/midwifery/ 4-year Diploma courses to unemployed girls of the North East. All expenses of the students during the entire program are borne by the company. So far 334 students have successfully completed the course with 100% placement record. Maruti Suzuki Training Academy, established in 2012, originally meant for the employees, but later registered a vocational training provider with the State of Haryana under the Skill Development Initiative Scheme.

Maruti is currently working with 85 ITIs spread across 21 states to upgrade automobile related trades, which benefitted over 5500 students. In the year 2013-14, Tata Steel trained 200 youth in various vocational trades at its operational sites, which included 27% from SC/ST communities. After the training, most of them were employed. In addition to the technical institutes established at Tamar in Jharkhand and Gopalpur in Odisha, Tata Steel established Samarath Skill Development Centre at Berhampur in Odisha with support of CMC Ltd. NHPC has adopted 13 ITIs (7 in Jammu & Kashmir, 4 in Uttrakhand, 3 in Arunachal Pradesh) through partnership mode as a part of its skill development initiatives. BHEL has conducted 2 programmes of cutting and tailoring, and 3 programmes of beauty culture for women in the year 2015-16 in the nearby villages of Jhansi. 250 women have benefitted from these programmes.

#### **Livelihood and Infrastructure Development initiatives**

All the companies undertake livelihood and infrastructure development of different communities as part of their CSR initiatives. Most of these initiatives are specific or piecemeal initiatives, depending upon the specific local needs. Happy homes: Asha Daan and Ankur of HUL where Asha Daan (set up in 1976), is a home in Mumbai for abandoned, challenging children, HIV-positive and destitute, over 400 infants, destitute men and women and HIV positive patients are taken care of in Asha Daan. Ankur (set up in 1993) is a centre for special education for otherwise challenged children at the Doom Dooma in Assam. Model Steel Villages of SAIL shows in order to bridge the gap between rural and urban areas and to provide comprehensive development of both physical and social



infrastructure. 79 villages have been identified for developing these as 'Model Steel Villages' across the country (in 8 states). The development activities undertaken in these villages include medical and health services, education, roads and connectivity, sanitation community centres, livelihood generation, sports facilities etc.

Gyan Jyoti Yojana for Birhor Tribe of SAIL where Bokaro Steel plant runs a project known as Gyan Jyoti to improve the conditions related to poverty, illiteracy and lack of socio-political awareness of Birhor community, a primitive tribal group (a tribe on the verge of extinction) in Jharkhand since 2001 under its CSR initiative. ITC e-choupal: Recognizing the various challenges faced by the farmer, the ITC e-choupal was designed to provide a 360-degree intervention to trigger a virtuous cycle of higher farm productivity, higher income and enlarged capacity for farmer risk management. E-choupal covers 40,000 villages benefitting 4 million farmers. Project ArhadGram of BHEL has supported the project in 25 villages of the backward district of Murgar in Bihar with 4 objectives such as dairy development, bio-mass fuel, women health and hygiene, food processing and preservation. SAIL has provided access to over 75 lakh people across 435 villages across the country since inception by constructing, repairing of roads and construction of foot cross over bridges. To empower farmers of Patamda, a market yard was set up in Jan, 2014 by Tata Steel to provide options to aggregate and market the agriculture produce at a fair price. Tata Steel supported about 800 Self Help Groups with 9700-plus women, predominantly from economically challenged families in 2013-14 assisting the women to set up small business units for handicrafts, vermi composting, tamarind cake and pickle making, mushroom cultivation etc.

## **CONCLUSION**

The findings on the CSR practices of both the public and private undertakings in India reveal that all the companies attempt to implement their CSR practices more or less in line with the recommendation of the Companies Act, 2013 and publish in their annual reports. Besides the long-term projects/initiatives undertaken by the companies, they incur expenditure on specific activities depending upon the local requirements on piecemeal basis. It has become difficult to analyze the details of the particular CSR activities undertaken by the companies along with the expenditure incurred by them on those activities, because many of them (except few PSUs) do not declare the same in their websites or sustainability reports. They briefly mention their thrust areas as outlined in Schedule VII of the companies Act, 2013. As per requirement of the Act, they should have provided the details of the CSR activities undertaken during the financial year. The companies have various CSR activities but this paper concentrates mostly with health care, education initiatives and women sustainability livelihood.

When seen individually, 7 PSUs namely, i) Bharat Heavy Electrical Limited, ii) GAIL (India) Ltd., iii) Indian Oil Corporation, iv) National Thermal Power Corporation Limited, vi) Power grid corporation of India and vii) Steel Authority of India Limited report their CSR projects/initiatives elaborately with occasional mentioning of the expenditure incurred. Among the private undertakings 5 of them namely, i) Hindustan Unilever Limited, ii) Larsen and Toubno Limited, iii) Reliance Industries Limited, iv) Tata Steel Limited, and v) Tata consultancy services have provided elaborate reports of their CSR projects/initiatives.

As per requirement of the Act, 2013, the companies are to be assessed towards the impact of their CSR activities by a third party, but most of the corporate have not reported anything regarding this. ITC Limited is the only company in this survey that has reported the impact studies which were conducted in depth during 2013-14. There are few recommendations in the Schedule VII of the companies Act, 2013, which attracted less attention of the companies. Few of them are, i) setting up

old age homes, day care centres and such other facilities of senior citizens, ii) protection of flora and fauna, iii) animal welfare, iv) measures for the benefit of armed forces veterans, war widows and their dependents. These areas of social importance remains neglected and companies have a major role to attend on these areas. Private companies are more strategic in their approach towards CSR practices compared to Public sector.

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## **Role of Industry in Shielding the Environment: Insights from 2019 CII Conference on Sustainability**

**Srirang K. Jha**\*

### **ABSTRACT**

This article is based on a report on Conference on Sustainability organized by Confederation of Indian Industry (CII) in New Delhi on 28 June 2019. The distinguished delegates of the conference deliberated on a range of issues such as diminishing water tables, excessive use of plastics in packaging, need for augmenting resource efficiency, and low carbon mobility for future cities. The panel of speakers included Dr Jitendra Das, Director, Fore School of Management; Mr Sundeep Gupta, Vice Chairman & Managing Director, Jakson Group; Mr S S Acharya, Managing Director, Mott Macdonald India Pvt. Ltd.; Mr A P Abraham, Head, Operations, Continental Carbon India Ltd.; Mr Manoj Pande, Managing Director, Statcon Energia Pvt. Ltd.; Mr Santanu Gupta, Chief General Manager (AE & SD), Indian Oil Corporation Ltd.; Mr Anuj Khanna, Managing Director, C&S Electric Ltd.; Mr Sandeep Singh, Chief Executive Officer, Shuddhoday PMPL; Mr Dheeraj Verma, Associate Vice President & Head, Environment, Health, Safety & Sustainability, JCB Ltd.; Mr Jeevraj Pillai, Joint President, Packaging & New Product Development, Uflex Ltd.; Mr Saroj Banerjee, Chief, Environment, Tata Steel BSL Ltd.; Mr Jajib Rahman, Vice President, Corp HSE & Sustainability, Sterlite Power; Mr Prabhat Kumar, National Program Manager (Technical), Energy Efficiency Services Ltd.; Mr Neeraj Kumar Singhal, Director, Semco Group; and Mr Inshu Minocha, Principal Consultant, Steer Group India among others. This incisive report may be quite useful for practising managers while planning sustainable development initiatives.

**Keywords:** Environment, Sustainability, Resource Efficiency, Low Carbon Mobility, India

Confederation of Indian Industry (CII) organized Conference on Sustainability on 28 June 2019 in New Delhi to reaffirm the role of industry in fostering environmental sustainability. The distinguished delegates of the conference deliberated on a range of issues such as diminishing water tables, excessive use of plastics in packaging, need for augmenting resource efficiency, and low carbon mobility for future cities.

Mr Sundeep Gupta, Convenor, CII WUP Core Group on Sustainability and Vice Chairman & Managing Director, Jakson Group, emphasized the need of water conservation, in his welcome address. Mr Gupta observed that every drop of water at home or shop-floor should be

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\* Associate Professor & Head, General Management & International Business Area, Apeejay School of Management, New Delhi **E-mail:** [jha.srirang@gmail.com](mailto:jha.srirang@gmail.com)

conserved and recycled wherever possible. He said that the companies should make concerted efforts to reduce water requirements factories and other commercial establishments. Mr Gupta also reiterated the need to reduce plastics in packaging to the extent possible and look for creative and innovative alternatives in packaging. Joining the chorus on water conservation, Mr Santanu Gupta, Chief General Manager (AE & SD), Indian Oil Corporation Ltd., shared how Indian Oil was conserving each drop of rain water in most of its refineries and sales outlets.

Speaking on the occasion, Mr Manoj Pande, Managing Director, Statcon Energia Pvt. Ltd. observed that pollution in high measure is caused by overuse or misuse of energy. He said that all the stakeholders should collaborate in order to make electricity network sustainable in the long run. He also reiterated that there was an urgent need for adoption of nuclear, solar and wind energy to meet burgeoning energy demands of an aspirational country –India. He lamented that in spite of advanced technologies in place, the country has failed to harness full potential of solar power. Aside the governmental apathy, people need to conserve energy both at home and workplaces out of their own volition so as to avert any serious energy crisis in future, Mr Pande added.

Dr Jitendra Das, Director, FORE School of Management, highlighted some of the acute challenges in sustainability i.e. carbon footprints and ecosystem stating how eco-systems work while remaining interconnected and dependent on other ecosystems, while chairing the session on ‘Resource Efficiency –Linear to Circular Economy for Indian Manufacturing: Challenges and Opportunities’. According to Dr Das, any by-product of one ecosystem in nature is used by another ecosystem; anything which is a waste for one ecosystem is a reasonably good input for another ecosystem –an example of circular economy. Recycling things implies bringing back to itself even small components as well; if it is not possible for a business entity to entirely eliminate carbon emission, they should start buying out carbon credits, observed Dr Das. He asserted that the traditional model of reuse, recycle and reduce is not enough anymore to achieve sustainability goals in the industry. Further, he vociferously advocated the urgent need for up-cycling, down-cycling and closed loop. Policymakers should incorporate the circular economy to ensure that the sought goals are achieved, Dr Das added.

Mr Dheeraj Verma, Associate Vice President & Head, Environment, Health, Safety & Sustainability, JCB Ltd., said that protection of environment should be the prime objective of all as it is the natural component of the earth where air, water, land, soil, flora, fauna are all interrelated. Sustainable development has to be planned in such a manner that meeting the need of the present can be done without compromising the ability of future generation to meet their needs, he added. Mr Verma also talked about circular economy which minimizes waste and optimizes resources during production and consumption through closed loop material flow while linking the independency on virgin resource extraction and generation of waste at all stages including pollution. He observed that the industry needs to move away from the current linear economy process where extract, produce, consume and trash happen with little or no attention vis-a-vis pollution to a *circular economy* with focus on how can we consume goods and services and yet not depend on extraction of resource and ensure closed loops that prevent the eventual disposal during and after the production process.

Mr Saroj Banerjee, Chief, Environment, Tata Steel BSL Ltd. highlighted the eco-friendly technologies used in his company. He stressed upon his organization’s aggressive sustainability goals in waste management including minimizing of CO<sub>2</sub> emissions by 2025 by utilizing 100% blast furnace slag in cement production and avoiding fugitive air emissions during transportation. Mr Banerjee mentioned that TATA Steel is the 1<sup>st</sup> Indian company to implement an internal carbon pricing in the financial appraisal of the capital project.

Mr. Sandeep Singh, Chief Executive Officer, Shuddhoday PMPL, spoke about various ways and means of water harvesting and water treatment and the hydrological cycle, affecting the environment and the effect of which is already being faced by the country. Mr Singh emphasized the importance of water and how its pollution is putting civilizations in danger. He suggested acceleration of water treatment facilities and making sure that everyone shares the responsibility of saving the water resources.

Mr Jeevraj Pillai, Joint President, Packaging & New Product Development, Uflex Ltd., observed that only 10% waste is recycled successfully in India, of which – 30% in land fill; 20% dumped, 35% littered in the environment as compared to Sweden where 67% waste is recycled. Incidentally, one of the most successful countries in managing waste has been Belgium (95%) with a goal to achieve 'Zero Waste', he added. Mr Pillai, also elaborated on the current scenario of reduction in carbon emission using PNG, reduction in VOC emission by using energy curing systems like E-beam, LED Curing and using water based link and use of incineration – one of several waste-to-energy technologies and other high-temperature waste treatment systems where materials converts the waste into ash, with energy recovery in the process. However, efforts are inadequate with regard to colossal waste disposal problem faced by India, Mr Pillai stated.

A Knowledge Paper was also released on the occasion by CII in collaboration with Mott Macdonald. The Knowledge Paper has research-based incisive readings carbon accounting; Energy: Clean, Green and Credible; Reducing Carbon Footprint through Energy Efficiency; Sustainable Management of Water; Circular Economy: Embedding Circularity in the Infrastructure Asset Life Cycle; Future Mobility and Economic, Social and Environmental Well-being; and Linear to Circular Economy for Indian Manufacturing.

